


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: November 21, 2016

SUBJECT: Fiscal Impact Statement –Credit Information in Employment
Amendment Act of 2016

REFERENCE: Bill 21-244, Draft Committee Print as shared with the Office of Revenue
Analysis on November 18, 2016

Conclusion

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill is estimated to cost \$94,000 in fiscal year 2017 and \$448,000 over the course of the four-year financial plan.

Background

The bill prohibits¹ employers, employment agencies, and labor organizations from taking discriminatory action against prospective and current employees based on that prospective or current employee's credit information.²

The bill also prohibits³ employers from directly and indirectly requiring, requesting, suggesting, or causing any employee to submit credit information as a condition of employment. Employers cannot use, accept, refer to, or inquire into an employee's credit information.

The bill establishes⁴ civil penalties⁵ to be paid to a complainant if the DC Commission on Human Rights⁶ rules that an employer discriminated against an employee based on an employee's credit information.

¹ By amending The Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2-38; D.C. Official Code § 2-1401.01 et seq.).

² Credit information means any written, oral, or other communication of information bearing on an employee's creditworthiness, credit standing, credit capacity, or credit history.

³ By amending The Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2-38; D.C. Official Code § 2-1401.01 et seq.).

The Honorable Phil Mendelson

FIS: Bill 21-244, "Credit Information in Employment Amendment Act of 2016," Draft Committee Print as shared with the Office of Revenue Analysis on November 18, 2016.

The bill requires the Office of Human Rights (OHR) to complete a public information campaign to educate employees and employers on credit discrimination within six months of the effective date of the bill.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill is estimated to cost \$94,000 in fiscal year 2017 and \$448,000 over the course of the four-year financial plan.

The bill will slightly increase the number of cases filed with OHR. One additional employee is required to docket, investigate, and make a determination on each new case created by the bill. The cost of hiring an additional employee is estimated to be \$84,000 in fiscal year 2017 and \$438,000 over the course of the four-year financial plan.

OHR will also need additional resources to complete a public information campaign. The estimated cost of completing a campaign as outlined in the bill is \$10,000 in fiscal year 2017.

| Fair Credit History Screening Amendment Act of 2016 | | | | | |
|---|----------|-----------|-----------|-----------|-----------|
| Projected Fiscal Impact for Bill 21-244 | | | | | |
| Fiscal Impact | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Total |
| Salary and Fringe ⁽¹⁾⁽²⁾ | \$83,529 | \$114,713 | \$118,154 | \$121,699 | \$438,094 |
| Public Information Campaign | \$10,000 | \$0 | \$0 | \$0 | \$10,000 |
| Total Fiscal Impact | \$93,529 | \$114,173 | \$118,154 | \$121,699 | \$448,094 |

Table Notes:

1. Assumes one Grade-13, Step-5 FTE and a fringe rate of 21.8 percent. Adjusted by 3 percent annually to account for inflation.
2. Assumes FTE start date of January 2, 2017.

⁴ By amending Section 313(a) (D.C. Official Code § 2-1403.13).

⁵ Civil penalties of \$1,000 for the first violation, \$2,500 for the second violation, and \$5,000 for each subsequent violation.

⁶ The DC Commission on Human Rights is an entity within the Office of Human Rights that adjudicates private sector discrimination complaints brought under the D.C. Human Rights Act.